

TRADEMARK TALK

First port of call

Megan Dinnie explores Kenya's well-established and evolving anti-counterfeiting regime



Megan Dinnie

According to recent news reports, the first ships have already docked at Kenya's new deep-water port at Lamu.

Expectations are high. Lamu will compete with the Kenyan port of Mombasa, as well as ports in Djibouti and Sudan. Lamu will attract cargo destined for landlocked neighbouring countries, Ethiopia and South Sudan.

Kenya, like much of Africa, is flooded with counterfeit goods and most of these arrive by sea. It seems very likely that the creation of a major new port will result in even more counterfeit goods making their way on to the Kenyan market.

Kenyan IP law

I will start with the basics. In Kenya, IP owners have the rights and remedies that you would expect to find in most countries. A trademark owner can sue an infringer for trademark infringement or passing off in the High Court. In the case of patents, industrial designs or utility models the infringement action will be before the Industrial Property Tribunal. In all cases, appeals to the Court of Appeal are possible.

Anti-counterfeiting legislation

What makes Kenya unusual in Africa is that there is, and has for some time been, specific anti-counterfeiting legislation. The Anti-Counterfeiting Act No13 of 2008 led to the creation of Kenya's anti-counterfeiting body, the Anti-Counterfeiting Authority (ACA).

When it comes to anti-counterfeiting, it is the ACA that conducts the necessary raids and liaises with the prosecution authority in regard to the prosecution. Where imported counterfeits are concerned (and this is very often the case) the ACA will work closely with customs.

The role of the IP lawyer is critical in this. The IP lawyer will liaise with the ACA on behalf

of the client – this might range from sharing intelligence about counterfeiting activities regarding the client's brand to the training of ACA officials on how to spot counterfeits of the brand in issue. When it comes to prosecutions the IP lawyer is again closely involved, making sure that the prosecutor is able to successfully prosecute the alleged counterfeiter – the IP lawyer's involvement might comprise assisting the prosecution with legal issues, or it might extend to actually giving evidence in court in order to confirm that the goods are indeed counterfeit. In the case of imported counterfeits the IP lawyer will also liaise directly with the customs officials.

In Kenya, penalties for counterfeiting are severe – in the case of a first conviction a counterfeiter may receive a prison term not exceeding five years, or a fine in respect of each article or item involved in the particular act of counterfeiting of not less than three times the value (the prevailing retail price) of the goods. Or indeed both a prison term and a fine. In the case of second or any subsequent conviction the counterfeiter could receive a prison term of up to 15 years or a fine of not less than five times the value (the prevailing retail price) of the goods. Or both.

Case law

The Anti-Counterfeiting Act has been scrutinised by the Kenyan courts and it has not been found wanting. In the important case of *Paul Nduba v Hon Attorney General and The Anti-Counterfeit Agency*, the court ruled that the provisions of the Kenyan Anti-Counterfeit Act are constitutional. In the subsequent case of *Republic v Anti Counterfeit Agency and Caroline Mangala t/a Hair Works Salon*, the court held that an unregistered trademark qualifies for protection. The judge said that the legislation speaks of "intellectual property rights", and Kenyan law allows the owner of

an unregistered mark to bring an action for enforcement under the law of passing off. However, change is coming...

Customs recordal

What sets anti-counterfeiting in Kenya even more apart from what exists in most of Africa is that there will shortly be what has been described as a 'dual registration' system. What this refers to is the fact that any brand owner who imports goods into Kenya will in future be required to register its trademark separately with customs – it will in fact be an offence to import goods under a trademark that has not been recorded with customs. For the sake of clarity, this is a separate and additional registration to the trademark registration.

The requirement was first announced a few years ago and it has been controversial to say the least. There was much concern about the fact that the registration fees that were initially put forward were extremely high, especially given that a customs registration will require annual renewal. The authorities decided to lower the fees significantly as a result of objections.

Another concern is that the registration process is quite onerous. So, for example, the authorities require details of the applicant (brand owner), the identity of the country where the goods are manufactured, samples of the trademarked goods or clear digital photographic representations of the goods, the identities of authorised foreign users and/or authorised distributors, and a certified copy of a Kenyan trademark registration certificate.

To be clear, the customs recordal system is not yet in effect. But when it does come into force ACA inspectors will have the same powers as customs officers in respect of imported counterfeit goods. This will hopefully have the effect that more counterfeit goods are seized at ports of entry.

Megan Dinnie is a trademark attorney specialising in trademark litigation at Spoor & Fisher Jersey. She handles trademark matters across Africa, including oppositions, trademark and copyright infringement, unlawful competition, passing off, anti-counterfeiting and domain name disputes.